

TARIFF

DRAWER 10 ADMINISTRATIVE PROBLEMS

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Abraham Lincoln's Administrative Problems

Tariff

Excerpts from newspapers and other sources

From the files of the
Lincoln Financial Foundation Collection

Attn. V. A. Jones

Apr. 16, 1861

**Illinois Repudiates Lincoln's Policy—
War for Tariff, not for Freedom.**

The Chicago Democrat, Wentworth's paper thus exposes and repudiates the policy of Lincoln's administration, both in regard to the Morrill Tariff and the war commenced for its enforcement.

As respects the Morrill Tariff, Illinois will not and cannot sustain Mr. Lincoln if he sustains that measure. It is fraught with ruin and disaster to all her interests; but chiefly to her agricultural interest, which is the leading interest of this State.

The Times places the average impost of this Tariff at 100 per cent. This amounts almost to a prohibition on most articles of prime necessity to this State. We can never stand such an impost. Its effects will be ruinous. It will stop our export trade, and thus cut off the market for our produce. This will stay production; for who will raise grain to sell at 10 to 25 cents per bushel, at the same time that he has to pay double for all the manufactures he uses?

Then again this Tariff will ruin all our merchants, who trade at the East, so long as the Southern Confederate States can import at ten, while the Northern are compelled to import at 100 per cent. Or it will compel them to trade at the South, or smuggle their goods from there. Two rival confederacies cannot exist side by side, with one charging ten and the other 100 per cent. on imports. The 100 per cent. Confederacy can collect no revenue. The ten per cent. one will do all the trading for the other, while smugglers will line the frontiers.

Is it to sustain this Morrill Tariff that the Administration has at last shown symptoms of taking a decided stand in relation to the seceded States? It certainly looks like it. For we tell the people that there are only two ways left now of settling this slave controversy. One is peaceful. The other is warlike. The peaceful way is free trade and direct taxation. The warlike way is fire and sword, and servile insurrection, if the subjugation is to be complete.

Has the Administration been driven to the warlike plan, not so much on account of its desire to save the Union and sustain the principles of liberty, as on account of its desire to pay a bounty to New England and Pennsylvania manufacturers?

We scarcely dare to answer this question.

We desire to do every justice to Mr. Lincoln and his Administration. But this desire does not overbear our love of those old Democratic principles of Jefferson and Jackson, which are as dear to us as life itself. The country has thriven in a manner unequalled by any before it in the history of the world upon those principles. We cannot see it put back a quarter of a century by the abandonment of those principles without entering our solemn protest.

We support Mr. Lincoln in every just measure, heart and soul, but we cannot support him when we know and feel that he is in the wrong, and that that wrong will inflict the most grievous injury to the best interests of the country, and to those great principles of political economy which at this moment are bursting the fetters of the most despotic nations of the earth.

Mr. Lincoln has no more claim on Illinois than Mr. Douglas had; and Illinois is not called upon to support him any longer than while he continues to represent those cherished principles for the advancement of which she was willing to sacrifice more than one "favorite son."

What Lincoln Never Said About the Tariff

By Professor F. W. Taussig, in the *Journal of Economics*.

Those who have followed the campaign literature on the tariff during recent years will have become familiar with a phrase attributed to Abraham Lincoln. The following version is taken from Curtiss's "Industrial Development of Nations," in which are collected indiscriminately all sorts of protectionist arguments. Under a portrait of Lincoln this is printed:

"I do not know much about the tariff, but I know this much: When we buy manufactured goods abroad we get the goods and the foreigner gets the money. When we buy the manufactured goods at home, we get both the goods and the money."

Elsewhere in the book the version is in somewhat different form: "Abraham Lincoln said: 'When an American paid \$20 for steel rails to an English manufacturer, America had the steel and England had the \$20. But when he paid \$20 for the steel to an American manufacturer, America had both the steel and the \$20.'"

This obviously is an anachronism, since such a thing as a steel rail was unknown in Lincoln's time.

No reference is given by Curtiss to Lincoln's writings; nor is such a reference given in any place where I have found the phrase quoted. A careful examination of the various editions of Lincoln's published works brings to light nothing that remotely resembles it. There is nothing in either of the two editions of his writings put together by Nicolay and Hay, nor is there anything in the so-called Federal edition. Nicolay and Hay's "Life" yields nothing of the sort, nor any of the biographies. So with Lincoln's "Speeches in Congress" and his messages to congress.

Now, what is the history of the phrase?

The very first mention which we have found is in 1894, in the *American Economist*, a weekly protectionist sheet published in New York. In that periodical for June 29, 1894, the following is given as having been copied from the *Independent* of Howard, Illinois, of June 9, 1894:

"Lincoln's first speech on the tariff question was short and to the point. He said he did not pretend to be learned in political economy, but he thought that he knew enough to know that 'when an American paid \$20 for steel to an English manufacturer, America had the steel and England had the \$20. But when he paid \$20 for the steel to an American manufacturer, America had both the steel and the \$20.'"

In a later issue (October 26) of the *American Economist* of that same year, it is stated that another newspaper, the *Peoria Journal*, protested that the "goods and money" speech was made at Kewanee; while still another newspaper, the *Chicago Record*, pointed out that this version was not at all in accord with Herndon's report of Lincoln's first speech.

Mr. Matteson reports that Howard appeared on the maps until about 1902; since then a village at the

same spot—a mere junction point, apparently—is named "Lotus" on the map. It is in the northwest corner of Champaign county, forty miles from Lincoln's early home at New Salem. Mr. Matteson adds: "I am forced to the conclusion that the Howard Independent is a myth, or at least a misprint. The postmaster at Lotus writes me that no paper has ever been printed there; and there is no other town in Illinois, so far as I have been able to discover, with which the name Howard is associated. No Howard Independent was published elsewhere in the United States, according to the newspaper directories of 1891, 1894-1895, and the last issue."

The first appearance for express campaign purpose appears to be in 1904. The phrase is to be found in the "Republican Campaign Book" of that year. In earlier campaign books—for 1892, 1896, 1900—it does not appear, although in that of 1896 Lincoln is cited as an advocate of protection. Evidently the phrase was not widely known during these earlier years. In the "Campaign Book of 1904" there is an extended quotation from Lincoln's tariff notes of 1846-47, and then at the close we find:

"On another occasion Mr. Lincoln is quoted as saying: 'I am not posted on the tariff, but I know that if I give my wife twenty dollars to buy a cloak and she buys one made in free trade England, we have the cloak, but England has the twenty dollars; while if she buys a cloak made in the protected United States, we have the cloak and the twenty dollars.'"

Here, it will be observed, "a cloak" appears. In a speech by McCleary, of Minnesota, in the house of representatives, April 22, 1904, "a dress" and "my wife" appear, with the same sum of \$20. It may be that the campaign book version of 1904 was taken from McCleary's speech.

In 1910 the phrase appears conspicuously in a booklet entitled "Story of a Tariff," published by the American Protective Tariff League, the organization which publishes the *American Economist* also. This booklet lauds the tariff of 1909 as "the best tariff bill (sic) the republican party has ever passed," and gives a quantity of extracts from speeches on that measure. On the inside cover page there is printed in large type "Lincoln's Tariff Creed," in these words:

"Secretary Stanton once asked Abraham Lincoln what he thought of a protective tariff. Mr. Lincoln replied: 'I don't know much about the tariff, but I do know that if my wife buys her cloak in America, we get the money and the cloak, and that American labor is paid for producing it; if she buys her cloak abroad, we get only the cloak, the other country gets the money, and foreign labor receives the benefit.'"

It will be observed that this is somewhat enriched. American labor and foreign labor are smuggled in; and not only is the wife introduced, but Secretary Stanton also.

It seems certain that the phrase is apocryphal. There is no evidence that Lincoln ever used it. Further search may show just how it originated. Possibly the claptrap about the "goods and the money" was invented before it was foisted on Lincoln; possibly it was ascribed to him at an earlier date than the first here noted (1894). By dint of repetition it has come to be associated with Lincoln almost as much as the cherry tree is associated with Washington. So crude is the reasoning (if such it can be called), so vulgarly fallacious is the antithesis, that we must hope that it will cease to be invested with the sanction of a venerated name.

1915

LINCOLN'S STAND FIRM ON POLICY OF PROTECTION

Great Emancipator Felt
Keenly the Need of a
Protective Tariff

HIS PERSONAL VIEWS

In Giving Them He Set
Forth Clear Examples
In Famous Speech

The following outline of an intended speech on the tariff was written by Abraham Lincoln between the time of his election to Congress in 1846 and taking his seat in 1847, showing that Lincoln even in his earlier years saw the necessity from a national standpoint of the maintenance of the protective system as it is today advocated by the Republican party:

Whether the protective policy shall be finally abandoned is now the question. Discussion and experience already had, and question now in greater dispute than ever. Has there not been some great error in the mode of discussion? Propose a single issue of fact, namely: From 1816 to the present, have protected articles cost us more of labor during the higher than during the lower duties upon them? Introduce the evidence. Analyze this issue, and try to show that it embraces the true and whole question of the protective policy. Intended as a test of experience. The period selected is fair, because it is a period of peace—a period sufficiently long (to) furnish a fair average under all other causes operating on prices, a period in which various modifications of higher and lower duties have occurred. Protected articles only are embraced. Show that these only belong to the question. The labor price only is embraced. Show this to be correct.

Effect of Duties Upon Prices.

I suppose the true effect of duties upon prices to be as follows: If a certain duty be levied upon an article which by nature cannot be produced in this country, as three cents a pound upon coffee, the effect will be that the consumer will pay one cent more per pound than before, the producer will take one cent less in profits; in other words, the burden of the duty will (be) distributed over consumption, production and commerce, and not confined to either. But if a duty amounting to full protection be levied upon an article which can be produced here with as little labor as elsewhere, as iron, that article will ultimately and at no distant day, in consequence of such duty, be sold to our people cheaper than ever before, at least by the amount of the cost of carrying it from abroad.

Useless Labor.

First as to useless labor. Before proceeding, however, it may be as well to give a specimen of what I conceive to be useless labor. I say, then, that all carrying, and incidents of carrying, of articles from the place of their production to a distant place for consumption, which articles could be produced of as good a quality, in sufficient quantity and with as little labor at the place of consumption as at the place carried from, is useless labor. Applying this principle to our country by an example, let us suppose that A and B are a Pennsylvania farmer and a Pennsylvania iron maker, whose lands are adjoining. Under the protective policy A is furnishing B with bread and meat, and vegetables and fruits, and food for horses and oxen, and fresh supplies of

ally, and receiving in exchange all the iron, iron utensils, tools and implements he needs. In this process of exchange each receives the whole of that which the other parts with, and the reward of labor between them is perfect; each receiving the product of just so much labor as he has himself bestowed on what he parts with for it. But the change comes. The protective policy is abandoned, and A determines to buy his iron and iron manufactures of C in Europe. This he can only do by a direct or an indirect exchange of the produce of his farm for them. We will suppose the direct exchange is adopted. In this A desires to exchange ten barrels of flour—the precise product of one hundred days' labor—for the largest quantity of iron, etc., that he can get. C also wishes to exchange the precise product, in iron, of one hundred days' labor for the greatest quantity of flour he can get. In intrinsic value the things to be exchanged are precisely equal.

Wasteful Transportation.

But before this exchange can take place the flour must be carried from Pennsylvania to England and the iron from England to Pennsylvania. The flour starts. The wagoner who hauls it to Philadelphia takes a part of it for his labor; then a merchant there takes a little more for storage and forwarding commission, and another takes a little more for insurance; and then the shipowner carries it across the water and takes a little more of it for his trouble. Still, before it reaches C it is tolled two or three times more for storage, drayage, commission, and so on; so when C gets it there are but seven and a half barrels of it left. The iron, too, in transit from England to Pennsylvania goes through the same process, so that when it reaches A there are but three quarters of it left. The result of this case is that A and C have each parted with one hundred days' labor, and each received but seventy-five in return. That the carrying in this case was introduced by A ceasing to buy of B and turning to C; that it was utterly useless, and that it is ruinous in its effects upon A, are all little less than self-evident. "But," asks one, "if A is now only getting three-quarters as much iron from every ten barrels of flour as he used to get of B, why does he not turn again to B?" The answer is: "B has quit making iron, and so has none to sell." "But why did B quit making?" "Because A quit buying of him, and he had no other customer to sell to." "But, surely, A did not cease buying of B with the expectation of buying of C on harder terms?" Certainly not. Let me tell you how that was. When B was making iron as well as C, B had but one customer, this farmer A; C had four customers in Europe.

It seems to be an opinion very generally entertained that the condition of a nation is best whenever it can buy cheapest; but this is not necessarily true, because if, at the same time and by the same cause, it is compelled to sell correspondingly cheap, nothing is gained. Then it is said the best condition is when we can buy cheapest and sell dearest; but this again is not necessarily true, because with both these we might have scarcely anything to sell, or, which is the same thing, to buy with. To illustrate this, suppose a man in the present state of things is laboring the year round, at ten dollars per month, which amounts in the year to \$120. A change in affairs enables him to buy his supplies at half the former price, to get fifty dollars per month for his labor, but at the same time deprives him of employment during all the months of the year but one. In this case, though goods have fallen one-half, and labor has risen five to one, it is still plain that at the end of the year the laborer is twenty dollars poorer than under the old state of things.

Value of Constant Employment.

These reflections show that to reason and act correctly on this subject we must look not merely to buying

cheap, nor yet to buying cheap and selling dear, but also to having constant employment, so that we may have the largest possible amount of something to sell. This matter of employment can only be secured by an ample, steady, and certain market to sell the products of our labor in.

But let us yield the point, and admit that by abandoning the protective policy our farmers can purchase their supplies of manufactured articles cheaper than by continuing it; and then let us see whether, even at that, they will upon the whole be gainers by the change. To simplify this question, let us suppose the whole agricultural interest of the country to be in the hands of one man, who has one hundred laborers in his employ; the farmer owns all the plowed and pasture land, and the manufacturer all the iron mines and coal banks and sites of water power. Each is pushing on his own way, and obtaining supplies from the other so far as he needs—that is, the manufacturer is buying of the farmer all the cotton he can use in his cotton factory; all the wool he can use in his woolen establishment; all the bread and meats as well as all the fruits and vegetables which are necessary for himself and all his hands in all his departments; all the corn and oats and hay which are necessary for all his horses and oxen, as well as fresh supplies of horses and oxen themselves to do all his heavy hauling about his iron works and generally of every sort. The farmer in turn is buying of the manufacturer all the iron, iron tools, wooden tools, cotton goods, woolen goods, etc., that he needs in his business for his hands.

But after a while the farmer discovers that were it not for the PROTECTIVE policy he could buy all of these supplies cheaper from a European manufacturer, owing to the fact that the price of labor is only one-quarter as high there as here. He and his hands are a majority of the whole, and therefore, have the legal and moral right to have their interest first consulted. They throw off the protective policy, the farmer ceases buying of the home manufacturer. Very soon, however, he discovers that to buy even at the cheaper rate requires something to buy with, and somehow or other he is falling down on this particular.

All Things Belong to Labor.

In the early days of our race the Almighty said to the first of our race, "In the sweat of thy face shalt thou eat bread;" and since then, if we expect the light and the air of heaven, no good thing has been or can be enjoyed by us without having first cost labor. And, inasmuch as most good things are produced by labor, it follows that all such things of right belong to those whose labor has produced them. But it has so happened in all the ages of the world that some have labored and others have without labor enjoyed a large proportion of the fruits. This is wrong, and should not continue. To secure to each laborer the whole product of his labor, or as nearly as possible, is a worthy object of any good government.

But then, a question arises. How can a government best effect this? In our own country, in its present condition, will the protective principle advance or retard this object? Upon this subject, the habits of our whole species fall into three great classes—useful labor, useless labor and idleness. On these the first only is meritorious, and to it all the products of labor rightfully belong; but the two latter, while they exist, are heavy pensioners upon the first, robbing it of a large portion of its just rights. The only remedy for this is to, so far as possible, drive useless labor and idleness out of existence. And first, as to useless labor. Before making war upon this, we must learn to distinguish it from the useful. It appears to me that all labor done directly and indirectly in carrying articles to the place of consumption,

which could have been produced in sufficient abundance, with as little labor, at the place of consumption as at the place they were carried from is useless labor.

Needless Labor in Carrying.

Let us take a few examples of the application of this principle to our own country. Iron and everything made of iron can be produced in sufficient abundance, and with as little labor in the United States as any-

where else in the world, therefore, all labor done in bringing iron and its fabrics from a foreign country to the United States is useless labor. The same precisely may be said of cotton, wool and of their fabrics, respectively, as well as many other articles. While the uselessness of the carrying labor is equally true of all the articles mentioned, and of many others not mentioned, it is perhaps more glaringly obvious in relation to the cotton goods we purchase from abroad. The raw cotton from which they are made itself grows in our own country, is carried by land and by water to England, is there spun, woven, dyed, stamped, etc., and then carried back again and worn in the very country where it grew. Why should it not be spun, woven, etc., in the very neighborhood where it grows and is consumed, and the carrying thereby dispensed with? Has nature interposed any obstacle? Are not all the agents—animal power, water power and steam power—as good and as abundant here as elsewhere? Will not as small an amount of human labor answer here as elsewhere? We may easily see that the cost of this useless labor is very heavy. It includes not only the cost of actual carriage, but also the insurance of every kind, and the profits of the merchants through whose hands it passes. All these create a heavy burden falling upon the useful labor connected with such articles, either depressing the price to the producer or advancing it to the consumer, or, what is more probable, doing both in part.

Cotton as an Illustration

A supposed case will serve to illustrate several points now to the purpose. A, in the interior of South Carolina, has one hundred pounds of cotton, which we suppose to be the precise product of one man's labor for twenty days. B, in Manchester, England, has one hundred yards of cotton cloth, the precise product of the same amount of labor. This lot of cotton and lot of cotton cloth are precisely equal to each other in their intrinsic value. But A wishes to part with his cotton for the largest quantity of cloth he can get. B also wishes to part with his cloth for the greatest quantity of cotton he can get. An exchange is, therefore, necessary; but before this can be effected the cotton must be carried to Manchester and the cloth to South Carolina.

The cotton starts to Manchester. The man that hauls it to Charleston in his wagon takes a little of it to pay him for his trouble; the merchant who stores it awhile before the ship is ready to sail takes a little out for his trouble; the ship owner who carries it across the water takes a little out for his trouble. Still, before it gets to Manchester it is tolled two or three times more for drayage, storage, commission and so on, so that when it reaches B's hands there are but seventy-five pounds of it left. The cloth, too, in its transit from Manchester to South Carolina, goes through the same process of tolling, so that when it reaches A there are but seventy-five yards of it left. Now in this case, A and B each have parted with twenty days' labor and each received but fifteen in return. But let us suppose that B has removed to the side of A's farm in South Carolina, and has there made his lot of cloth. Is it not clear that he and A can then exchange their cloth and cotton, each getting the whole of what the other parts with?

Imposes a Direct Burden

This supposed case shows the utter uselessness of the carrying labor in

all similar cases, and also the direct burden it imposes upon useful labor. And whoever will take up the train of reflection suggested by this case and run it out to the full extent of its just application, will be astonished at the amount of useless labor he will thus discover to be done in this very way. I am mistaken if it is not in fact many times over equal to all the real want in the world. This useless labor I would have discontinued, and those engaged in it added to the class of useful laborers. If I be asked whether I would destroy all commerce, I answer, Certainly not; I would continue it where it is necessary and discontinue it where it is not. An instance: I would continue commerce so far as it is employed in bringing us coffee, and I would discontinue it so far as it is employed in bringing us cotton goods.

Would the Farmer Be the Gainer?

But let us yield the point and admit by abandoning the protective policy our farmers can purchase their supplies of manufactured articles cheaper than before; and then let us see whether, even at that, the farmers will upon the whole be gainers by the change. To simplify this question, let us suppose our whole population to consist of but twenty men. Under the prevalence of the protective policy, fifteen of these are farmers, one is a miller, one manufactures iron, one implements from iron, one cotton goods, and one woolen goods. The farmers discover that, owing to labor only costing one-quarter as much in Europe as here, they can buy iron, iron implements, cotton goods and woolen goods cheaper when brought from Europe than when made by their neighbors. They are the majority, and therefore have both the legal and moral right to have their interest first consulted. They throw off the protective policy and cease buying these articles of their neighbors. But they soon discover that to buy, and at the cheaper rate, requires something to buy with.

Nothing Doing at the Furnace

Falling short in this particular one of the farmers takes a load of wheat to the miller and gets it made into flour, and starts as has been his custom, to the iron furnace. He approaches the well known spot, but, strange to say, all is cold and still as death; no smoke rises, no furnace roars, no anvil rings.

After some search he finds the owner of the desolate place and calls out to him: "Come, Vulcan, don't you want to buy a load of flour?"

"Why," says Vulcan, "I am hungry enough, to be sure, haven't tasted bread for a week, but then you see my works are stopped and I have nothing to give you for your flour."

"But, Vulcan, why don't you go to work and get something?"

"I am ready to do so; will you hire me, farmer?"

"Oh, no; I could only set you to raising wheat; and you see I have more of that already than I can get anything for."

"But give me employment and send your flour to Europe for a market."

"Why, Vulcan, how silly you talk.

Don't you know they raise wheat in Europe as well as here, and labor is so cheap there as to fix the price of flour there so low as scarcely to pay the long carriage of it from here, leaving nothing whatever to me?"

"But, farmer, couldn't you pay to raise and prepare garden stuffs and fruits, such as radishes, cabbages, Irish and sweet potatoes, cucumbers, watermelons and muskmelons, plums, pears, peaches, apples and the like? All these are good things and used to sell well."

"So they did used to sell well, but it was to you we sold them, and now you tell us that you have nothing to buy with. Of course I cannot sell things to the other farmers, because each of them raises enough for himself, and, in fact, rather wishes to sell than to buy. Neither can I send them to Europe for a market, because, to say nothing of European

markets being stocked with such articles at lower prices than I can afford, they are of such a nature as to rot before they could reach there. The truth is, Vulcan, I am compelled to quit raising these things altogether, except a few for my own use, and this leaves part of my own time idle

on my hands, instead of my finding employment for you."

Useless Labor as Bad as Idleness

If at any time all labor should cease and all existing provisions be equally divided among the people, at the end of a single year there could scarcely be one human being left alive; all would have perished by want of subsistence. So, again, if upon such division all that sort of labor which produces provisions should cease, and each individual should take up so much of his share as he could and carry it continually around his habitation, although in this carrying the amount of labor going on might be as great as ever, so long as it could last, at the end of the year the result would be precisely the same—that is, none would be left living.

The first of these propositions shows that universal idleness would speedily result in universal ruin, and the second shows that useless labor is, in this respect, the same as idleness. I submit, then, whether it does not follow that partial idleness and partial useless labor would, in the proportion of their extent, in like manner result in partial ruin; whether, if all should subsist upon the labor that one-half should perform, it would not result in very scanty allowance to the whole.

Believing that these propositions and the conclusions I draw from them cannot be successfully controverted, I for the present assume their correctness, and proceed to try to show that the abandonment of the Protective policy by the American government must result in the increase of both useless labor and idleness, and so, in proportion, must produce want and ruin among our people.

LINCOLN ON PROTECTION

From a Speech Delivered by Abraham Lincoln in 1847

1521

In the early days of our race the Almighty said to the first of our race: "In the sweat of thy face shalt thou eat bread;" and since then, if we except the light and the air of heaven, no good thing has been or can be enjoyed by us without having first cost labor. And inasmuch as most good things are produced by labor, it follows that all such things belong of right to those whose labor has produced them. But it has so happened, in all ages of the world, that some have labored, and others have without labor enjoyed a large proportion of the fruits. This is wrong and should not continue. To secure to each laborer the whole product of his labor, or as nearly as possible, is a worthy object of any good government.

But then a question arises: How can a government best effect this? In our own country, in its present condition, will the protective principle advance or retard this object? Upon this subject the habits of our whole species fall into three great classes—useful labor, useless labor and idleness. Of these the first only is meritorious, and to it all the products of labor rightfully belong; but the two latter, while they exist, are heavy pensioners upon the first, robbing it of a large portion of its just rights. The only remedy for this is to, so far as possible, drive useless labor and idleness out of existence.

And, first, as to useless labor. Before making war upon this we must learn to distinguish it from useful. It appears to me that all labor done directly and indirectly in carrying articles to the place of consumption which could have been produced in sufficient abundance, with as little labor, at the place of consumption as at the place they were carried from its useless labor. Let us take a few examples of the application of this principle to our own country. Iron, and everything made of iron, can be produced in sufficient abundance and with as little labor in the United States as anywhere else in the world; therefore, all labor done in bringing iron and its fabric from a foreign country to the United States is useless labor. * * *

We may easily see that the cost of this useless labor is very heavy. It includes not only the cost of the actual carriage, but also the insurances of every kind and the profits of the merchants through whose hands it passes. All these create a heavy burden necessarily falling upon the useful labor connected with such articles, either depressing the price to the producer or advancing it to the consumer, or, what is more probable, doing both in part.

LINCOLN ON TARIFF

The Philadelphia Evening Bulletin in last week printed what is purported to be an unpublished letter of Abraham Lincoln, giving his views on the tariff question in 1859.

It was addressed to Dr. Edward Wallace, a Philadelphia physician, and was found among the papers inherited by his daughters, the late Misses Mary and Margaret Wallace. It is now held as a part of their estate by Norman W. Harker, a Philadelphia lawyer.

The letter was written on the stationery of the 'Office of the Circuit Clerk and Recorder of Dewitt county, Illinois,' and was dated "Clinton, Oct. 11, 1859." In some instances dashes were used instead of periods. It reads:

"I am here, just now, attending court—yesterday, before I left Springfield, your brother Dr. William S. Wallace, showed me a letter of yours, in which you kindly mention my name, inquire for my tariff views; and suggest the propriety of my writing a letter upon the subject—I was an old Henry Clay tariff Whig—in old times I made more speeches

on that subject, than on any other. I have not changed my views—I believe yet, if we could have a moderate, carefully adjusted, protective tariff, so far acquiesced in, as not to be a perpetual subject of political strife, squabble, changes and uncertainties, it would be better for us—still, it is my opinion that, just now the revival of that question, will not advance the cause itself, or the man who revives it—I have not thought much upon the subject recently; but my general impression is, that the necessity for a protective tariff will, ere long, force its old opponents to take it up; and then its old friends can join in, and establish it on a more firm and durable basis. We, the old Whigs, have been entirely beaten out on the tariff question; and we shall not be able to re-establish the policy, until the absence of it, shall have demonstrated the necessity for it, in the minds of men heretofore opposed to it—with this view, I should prefer, to not now, write a public letter upon the subject." I therefore wish this to be considered confidential—

"I shall be very glad to receive a letter from you—

"Yours truly,

"A. LINCOLN.—"

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LINCOLN LORE

Bulletin of the Lincoln National Life Foundation - - - - - Dr. Louis A. Warren, Editor.
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Number 432

FORT WAYNE, INDIANA

July 19, 1937

LINCOLN'S COMMENTS ON LABOR AND CAPITAL

The industrial unrest everywhere evident, makes it timely to compile some of the statements which Lincoln made with reference to the problems of labor and capital as they existed in his day. Care has been taken not to include passages which referred directly or indirectly to the status of slave labor which was then a live question. It should be remembered that Lincoln lived in a period previous to the machine age and its systems of industrialism with which we are so well acquainted.

"There is no permanent class of hired laborers among us."—1854.

"Universal idleness would speedily result in universal ruin."—1847.

"Advancement—improvement in condition—is the order of things in a society of equals."—1854.

"No good thing has been or can be enjoyed by us without having first cost labor."—1847.

"No men living are more worthy to be trusted than those who toil up from poverty."—1862.

"Labor is the great source from which nearly all, if not all, human comforts and necessities are drawn."—1859.

"Let not him who is homeless pull down the house of another, but let him labor diligently to build one for himself."

"The hired laborer of yesterday labors on his own account today and will hire the labor of others tomorrow."—1854.

"Labor is like any other commodity in the market—increase the demand for it and you increase the price of it."—1862.

"Inasmuch as most good things are produced by labor, it follows that all such things of right belong to those whose labor has produced them."—1847.

"When one starts poor, as most do in the race of life, free society is such that he knows he can better his condition, he knows there is no fixed condition of labor for his whole life."—1860.

"Property is the fruit of labor; property is desirable; is a positive good in the world. That some should be rich shows that others may become rich, and hence is just encouragement to industry and enterprise."—1864.

"The strongest bond of human sympathy, outside the family relation, should be one uniting all working people, of all nations, and tongues and kindreds. Nor should this lead to a war upon property, or the owners of property."—1864.

"What is the true condition of the laborer? I take it that it is best for all to leave each man free to acquire property as fast as he can. Some will get wealthy. I don't believe in a law to prevent a man from getting rich; it would do more harm than good."—1860.

"It has so happened, in all ages of the world, that some have labored, and others without labor enjoyed a large

proportion of the fruits. This is wrong, and should not continue. To secure to each laborer the whole product of his labor, or as nearly as possible, is a worthy object of any good government."—1847.

"Labor is prior to and independent of capital. Capital is only the fruit of labor, and could never have existed if labor had not first existed. Labor is the superior of capital, and deserves much the higher consideration. Capital has its rights, which are as worthy of protection as any other rights. Nor is it denied that there is and probably always will be a relation between labor and capital producing mutual benefits."—1861.

"The habits of our whole species fall into three great classes—useful labor, useless labor and idleness. Of these the first only is meritorious, and to it all the products of labor rightfully belong; but the two latter, while they exist, are heavy pensioners upon the first, robbing it of a large portion of its just rights. The only remedy for this is to, so far as possible, drive useless labor and idleness out of existence."—1847.

"There is no necessity for any such thing as the free hired laborer being fixed to that condition for life. Many independent men everywhere in these States a few years back in their lives were hired laborers. The prudent, penniless beginner in the world labors for wages a while, saves a surplus with which to buy tools or land for himself, then labors on his own account another while, and at length hires another new beginner to help him. This is the just and generous and prosperous system which opens the way to all, and consequent energy and progress and improvement of conditions to all."—1861.

" . . . Men who are industrious and sober and honest in the pursuit of their own interests should after a while accumulate capital, and after that should be allowed to enjoy it in peace, and also if they should choose, when they have accumulated it, to use it to save themselves from actual labor, and hire other people to labor for them, is right. In doing so, they do not wrong the man they employ, for they find men who have not their own land to work upon, or shops to work in, and who are benefitted by working for others—hired laborers, receiving their capital for it. Thus a few men that own capital hire a few others, and these establish the relation of capital and labor rightfully—a relation of which I make no complaint. . . ."—1859.

"It seems to be an opinion very generally entertained that the condition of a nation is best whenever it can buy cheapest; but this is not necessarily true, because if at the same time and by the same cause, it is compelled to sell correspondingly cheap, nothing is gained. Then it is said the best condition is when we can buy cheapest and sell dearest; but this again is not necessarily true, because with both these we might have scarcely anything to sell, or, which is the same thing, to buy with.

"These reflections show that to reason and act correctly on this subject we must look not merely to buying cheap, nor yet to buying cheap and selling dear, but also to having constant employment, so that we may have the largest possible amount of something to sell. This matter of employment can only be secured by an ample, steady, and certain market to sell the products of our labor in."—1847.

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MEMORANDUM

